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JUN 22 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Christopher C. Cinnamon

Also admitted in Michigan

June 22, 1998

Ms. Magalie Roman Salas

Secretary

Federal Communications Commission

1919 M Street, N.W.

Room 222

Washington, D.C. 20554

Re: CS Docket No. 98-54

**Initial Regulatory Flexibility Act Analysis Comments of the Small Cable
Business Association ("IFRA Comments")**

Dear Ms. Salas:

On behalf of the Small Cable Business Association ("SCBA"), we enclose an original and nine (9) copies of the above-referenced IFRA Comments. We request that each Commissioner receive a copy of SCBA's IFRA Comments.

If you have any questions, please call us.

Very truly yours,



Christopher C. Cinnamon

Enclosures

cc: Small Cable Business Association

Imc:SCBA: A:\Biennial Rulemaking\ifra_comments.tra

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**Before the
Federal Communications Commission
Washington, D.C.**

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JUN 22 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the matter of

1998 Biennial Regulatory Review--

**Part 76 - Cable Television Service
Pleading and Complaint Rules**

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CS Docket No. 98-54

**INITIAL REGULATORY FLEXIBILITY ACT ANALYSIS
COMMENTS
OF THE
SMALL CABLE BUSINESS ASSOCIATION**

Of Counsel:

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**Attorneys for the Small Cable
Business Association**

June 22, 1998

**INITIAL REGULATORY FLEXIBILITY ACT ANALYSIS
COMMENTS
OF THE
SMALL CABLE BUSINESS ASSOCIATION**

The Small Cable Business Association ("SCBA") files these comments in response to the Initial Regulatory Flexibility Act Analysis in *Notice of Proposed Rulemaking*, CS Docket No. 98-54, FCC 98-68 (released April 22, 1998) ("*Notice*"). SCBA files separate comments in this rulemaking detailing the adverse impact on small cable systems and businesses of several existing Part 76 procedural rules. SCBA's comments propose significant alternatives to current rules, alternatives that will help make Part 76 procedures less confusing and less burdensome, especially for small cable. For purposes of its Final Regulatory Flexibility Act Analysis, SCBA requests that the Commission consider each of the alternatives to current procedural rules proposed by SCBA. SCBA also requests that the Commission revise its analysis of the number of small cable businesses affected.

Significant alternatives to current Part 76 procedural rules.

In its comments, SCBA details significant alternatives to current Part 76 procedural rules that will alleviate administrative burdens and costs on small cable. Those alternatives include:

- **Program access complaint procedures.** Revisions that will enable genuine access to the Commission by small cable companies within program access complaints.
- **Must-carry complaint procedures.** Revisions that will simplify complexities of the current rules and provide a longer compliance window for channel-locked small systems.

- **Market modification procedures.** Lower-cost, less formal procedures for small systems.
- **Leased access procedures.** A small system alternative to by-pass the independent accountant review.
- **Effective competition procedures.** Require competitors to disclose penetration data by franchise area.
- **Filing fees.** Reductions in certain filing fees for small cable.

Implementation of these changes will reduce unnecessary regulatory burdens on small cable business with minimal or no impact on other interested parties.

The IRFAA estimate of small cable businesses affected fails to incorporate recent industry trends.

SCBA disagrees with the conclusion in the IRFAA that the number of small cable businesses affected by Commission rules has declined since 1995. The IRFAA states:

Based on our most recent information, we estimate that there were 1439 cable operators that qualified as small cable companies at the end of 1995. Since then, some of those companies may have grown to serve over 400,000 subscribers, and other may have been involved in transactions that caused them to be combined with other cable operators. Consequently, we estimate that there are fewer than 1439 small entity cable system operators that may be affected by the decisions and rules we are adopting.¹

¹Notice, ¶ 11.

This analysis does not consider transactions since 1995 that have increased the number of small cable companies. For example, the acquisition by Mediacom of Cablevision Systems Corp.'s U.S. Cable properties returned those systems to small cable company status. The announced purchase of Avalon Partners of RCN's interest in the Cable Michigan properties will have the same result. Certain TCI divestures have also resulted in systems returning to small cable company status, for example Galaxy Cablevision's purchase in 1996 of certain TCI systems in Mississippi.


The aggregate result of these transactions has not been determined. It is possible that the number of small cable systems owned by small cable companies has actually increased since 1995. Until the Commission has studied the impact of these trends, it should avoid concluding that any decrease has occurred in the number of small cable companies and small cable systems impacted by its rules. The IRFAA should be corrected accordingly.

SCBA requests that the Commission thoroughly consider the issues impacting small cable and issue a comprehensive Final Regulatory Flexibility Analysis in this rulemaking.

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Respectfully submitted,

Small Cable Business Association


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